

NIKOS EXPLORATIONS LTD.
Management's Discussion and Analysis ("MD&A")
For the Quarter Ended December 31, 2016

The following discussion and analysis of the results of operations and of the financial position of Nikos Explorations Ltd. ("Nikos" or the "Company") is prepared as of February 24, 2017, and should be read in conjunction with the Company's condensed interim financial statements for the quarter ended December 31, 2016 ("Q1-2017") and the Company's audited consolidated financial statements and the notes thereto for the year ended September 30, 2016 ("fiscal 2016").

The financial information presented herein is expressed in Canadian dollars, except where noted.

The Company's financial statements are reported under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Overall Performance

Nikos is an exploration company focused on the acquisition, exploration and development of copper-gold projects. Nikos is publicly traded on the TSX Venture Exchange ("TSX-V"). To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The company has earned a 100% interest in the Borden Lake Extension Property (the "Property") located near Chapleau, Ontario. The Company has entered into a further option agreement for additional claims surrounding the Property.

At December 31, 2016, the Company had cash of \$213,221 (September 30, 2016: \$10,019) and working capital of \$178,757 (September 30, 2016: working capital deficiency of \$36,148).

The Company does not anticipate generating significant revenues in the near future. As a result, the Company will be required to raise funds in order to finance its ongoing property evaluation program and general and administrative expenses, most likely to be accomplished through the sale of equity.

Results of Operations

In Q1-2017 Nikos posted a net loss of \$16,558 (\$nil per share), compared to a net loss of \$6,083 (\$nil per share) in the quarter ended December 31, 2015 ("Q1-2016"). The Company's most significant expenses in Q1-2017 included regulatory and transfer agent fees of \$3,488 (Q1-2016: \$2,533), share-based compensation of \$3,062 (Q1-2016: \$nil) and management fees of \$3,000 (Q1-2016: \$3,000).

During Q1-2017 the Company incurred \$8,149 in deferred exploration expenses, capitalized as unproven mineral right interests (Q1-2016: \$3,459).

	Q1-2017	Q1-2016
	\$	\$
Exploration costs:		
Automobile	904	162
Exploration administration and other	14	163
Food and accomodation	881	284
Geological consulting	3,600	2,850
Geophysical	2,750	-
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	8,149	3,459

Unproven Mineral Right Interests

On December 14, 2012, the Company entered into an option agreement to earn a 100% interest in the Borden Lake Extension Property (the "Property") located near Chapleau Ontario. The 1,598 hectare property lies immediately east of Goldcorp's Borden Lake gold project.

The Company earned a 100% undivided interest in the Property by making the following payments, all of which have been completed:

- Making an initial payment of \$3,000 and issuing 50,000 shares;
- Paying \$15,000, issuing 50,000 shares and incurring exploration expenditures of \$40,000 on the Property on or before December 14, 2013 (renegotiated and completed with a cash payment of \$6,000 and the issuance of 170,000 shares);
- Paying \$27,000, issuing 50,000 shares and incurring cumulative exploration expenditures on the Property of \$140,000 on or before December 14, 2014;
- Paying \$55,000, issuing 50,000 shares and incurring cumulative exploration expenditures on the Property of \$340,000 on or before December 14, 2015 (renegotiated and completed in January 2016 with a cash payment of \$20,000 and the issuance of 1,450,000 shares).

The vendors retain a 2% net smelter return ("NSR") royalty, half of which may be bought back by Nikos for \$1 million at any time

On May 13, 2014, the Company entered into an option agreement to earn a 100% interest in six claims located to the south of the Property (the "Additional Claims"). The terms of the option are the following:

- On receipt of TSX-V approval: payment of \$6,000 and issuance of 75,000 Shares (completed);
- On or before May 13, 2015: payment of \$15,000 and issuance of 105,000 Shares (completed);
- On or before May 13, 2016: payment of \$24,000 and issuance of 150,000 Shares (completed);
- On or before May 13, 2017: payment of \$36,000 and issuance of 180,000 Shares;
- A 2% NSR royalty, half of which may be bought back by Nikos for \$1million at any time; and
- On receipt of a National Instrument 43-101 compliant report showing an indicated resource of at least 1million ounces of gold: payment of \$600,000.

On November 26, 2014, Nikos announced the addition of a further five claims to the option agreement to purchase the Additional Claims. The Company paid consideration to the vendors of an amount equal to the staking costs of these five claims, and they are incorporated into the option agreement dated May 13, 2014, with terms indicated above.

On April 28, 2016, Nikos announced the addition of nine claims tying on to the south of the Property. The Company paid consideration to the vendors of an amount equal to the staking costs of these nine claims. With the addition of these nine claims, the area of the Property was increased to approximately 55 square kilometres.

Exploration Activity

In Q4-2016, the Company received an exploration permit to carry out a drilling program in the vicinity of a sample containing 48 gold grains found in till (refer to the Company's news release dated March 29, 2016).

Nikos submitted the application to drill up to 2,100 metres in 17 diamond drill holes. The holes will test chargeability anomalies found in the IP survey (refer to the Company's news release dated September 14, 2016) up ice of high gold grain counts in till samples. One of the anomalies occurs adjacent to a recently outlined soil gas hydrocarbon (SGH) anomaly approximately 200 metres up ice of the location of the anomalous till sample that contained 48 gold grains. A second anomaly, which shows a stronger chargeability response than the first, as well as a higher resistivity response, occurs a further 500 metres up ice. Both anomalies are 400 metres long and open to the east and west.

Further soil sampling was undertaken during the quarter to follow up on the positive SGH anomaly up ice of the anomalous till sample and adjacent to a chargeability anomaly that will be tested in the upcoming drill program. Results of the assays are pending.

Ownership in mineral right interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the ambiguous conveyance history of many mineral right interests. The Company has investigated ownership of its mineral right interests and, to the best of its knowledge, ownership of its interests are in good standing.

Summary of Quarterly Results (IFRS)

	Qtr. ended	Qtr. ended	Qtr. ended	Qtr. ended
	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	March 31, 2016
Total revenues	\$-	\$-	\$-	\$-
Net loss	(16,558)	(18,217)	(27,066)	(30,078)
Loss per share	-	-	-	-
Diluted loss per share	-	-	-	-

	Qtr. ended	Qtr. ended	Qtr. ended	Qtr. ended
	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015
Total revenues	\$-	\$-	\$-	\$-
Net loss	(6,083)	(7,856)	(4,312)	(29,190)
Loss per share	-	-	-	-
Diluted loss per share	-	-	-	-

Liquidity and Capital Resources

Nikos is a development-stage company that currently does not generate significant revenues, and does not anticipate doing so in the near future.

Nikos held cash of \$213,221 at December 31, 2016, compared to \$10,019 at September 30, 2016.

The Company had working capital of \$178,757 on December 31 2016 compared to a working capital deficiency \$36,148 on September 30, 2016.

The Company is not subject to debt covenants.

On January 6, 2016, the Company issued an aggregate of 150,000 shares valued at \$9,000 and 150,000 warrants to the Brunswick House, Chapleau Cree and Chapleau Ojibway First Nations, in connection with a Memorandum of Understanding with respect to the Company's Borden Lake Extension project, located near Chapleau, Ontario. Each warrant is exercisable into one additional share at a price of \$0.05 and has a five year term.

On January 18, 2016, the Company issued 1,450,000 shares valued at \$87,000 for the acquisition of unproven mineral right interests.

On March 30, 2016, the Company closed a non-brokered private placement for gross proceeds of \$35,000 from the sale of 1,400,000 units at a price of \$0.025 per unit. Each unit consisted of one share and one warrant exercisable into one additional share at a price of \$0.05 for a one year period. A further \$10,100 was raised from the sale of 336,667 flow-through units at a price of \$0.03 per unit. Each flow through unit consisted of one share and one-flow through warrant exercisable into one additional share at a price of \$0.05 for a one year period.

On April 12 and 14, 2016, the Company received proceeds of \$15,000 from the exercise of 300,000 options. The Company also reclassified \$14,442 of previously recorded share-based compensation payment reserve amounts with the exercise of these options.

On May 10, 2016, the Company issued 150,000 shares valued at \$15,000 for the acquisition of unproven mineral right interests.

On June 7, 2016, the Company closed a non-brokered private placement for gross proceeds of \$132,000 from the sale of 1,650,000 units at a price of \$0.08 per unit. Each unit consisted of one share and one warrant exercisable into one additional share at a price of \$0.15 for a two year period. A further \$10,000 was raised from the sale of 100,000 flow-through units at a price of \$0.10 per unit. Each flow through unit consisted of one share and one-half of a flow through warrant. Each full warrant is exercisable into one additional share at a price of \$0.15 for a two year period. Finders' fees of \$250 in cash and 50,000 in shares of the Company were paid on a portion of the private placement.

On December 23, 2016, the Company issued 1,755,000 units priced at \$0.08 per unit. Each unit consisted of one common share of the Company and one share purchase warrant entitling the holders thereof to purchase one additional common share of the Company at a price of \$0.13 for a period of two years. The Company also issued 1,068,334 common shares on a flow-through basis priced at \$0.09 per share. Finders fees comprised of 155,400 common shares of the Company were issued in connection with this private placement. The securities issued have a hold period expiring on April 24, 2017.

Transactions with Related Parties

As at December 31, 2016, the Company's related parties consist of a proprietorship controlled by the Company's Chief Executive Officer ("CEO"), a company controlled by the Company's Chief Financial Officer ("CFO") and a company controlled by a former Company director.

	Nature of Transaction
Moss Explorations Services	Management
Delphis Financial Strategies Inc.	Management

The Company entered into the following transactions with related parties:

- i. During Q1-2017, the Company incurred management and consulting fees of \$3,000 (Q1-2016: \$3,000) for accounting services provided by a company controlled by the Company's CFO and \$2,400 (Q1-2016: \$nil) for consulting fees for services provided by a proprietorship controlled by the Company's CEO.
- ii. During Q1-2017, the Company incurred geological consulting fees of \$3,600 (Q1-2016: \$2,850) for services provided by a proprietorship controlled by the Company's CEO.
- iii. Included in accounts payable and accrued liabilities as at December 31, 2016 is \$23,253 (September 30, 2016: \$30,866) owing to the Company's CEO and a company controlled by the Company's CFO.
- iv. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

These transactions occurred in the normal course of operations and were measured at fair value as determined by management.

Subsequent Events

Subsequent to December 31, 2016:

- a) The Company issued 3,875,000 units priced at \$0.08 per unit. Each unit consisted of one common share of the Company and one share purchase warrant entitling the holders thereof to purchase one additional common share of the Company at a price of \$0.13 for a period of two years. Finders fees comprised of 271,1250 common shares of the Company were issued in connection with this private placement. The securities issued have a hold period expiring on June 3, 2017.
- b) The Company issued 60,000 shares in connection with a warrant exercise, for proceeds of \$3,000.

Critical Accounting Estimates

The most significant estimates are related to the physical and economic lives of unproven mineral right interests, and their recoverability.

Other MD&A Requirements

As of February 24, 2017, the Company has outstanding a total of 25,006,725 shares, 1,000,000 options with a weighted average price of \$0.06 per share and 9,216,667 warrants with a weighted average exercise price of \$0.12 per share. Additional information is available at the Company's website at www.nikosexplorations.com. To view the public documents of the Corporation, please visit the Corporation's profile on the SEDAR website at www.sedar.com.

Cautionary Statement on Forward Looking Information

This MD&A contains certain forward-looking information and statements as defined in applicable securities laws (collectively referred to as "forward-looking statements"). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking

statements. These statements speak only as of the date of this MD&A. These forward-looking statements include but are not limited to, statements concerning:

- our strategies and objectives;
- prices and price volatility for commodities and of materials we use in our operations;
- the demand for and supply of commodities and materials that we use and plan to produce and sell;
- our financial resources;
- interest and other expenses;
- domestic laws affecting our operations;
- our tax position and the tax rates applicable to us;
- decisions regarding the timing and costs of construction and production with respect to, and the issuance of, the necessary permits and other authorizations required for any proposed projects;
- our planned future production levels;
- potential impact of production and transportation disruptions;
- our planned capital expenditures and estimates of costs related to environmental protection;
- our future capital and production costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations in the operation and closure of our operations;
- our financial and operating objectives;
- our environmental, health and safety initiatives;
- the outcome of legal proceedings and other disputes in which we may be or become involved; and
- general business and economic conditions.

Inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control, including risks that may affect our operating or capital plans; risks generally encountered in the permitting and development of mineral projects such as unusual or unexpected geological formations, unanticipated metallurgical difficulties, delays associated with permit appeals, ground control problems, adverse weather conditions, process upsets and equipment malfunctions; risks associated with labour disturbances and availability of skilled labour and management; fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; risks created through competition for mining projects and properties; risks associated with lack of access to markets; risks associated with mine plan estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; title risks; social and political risks associated with our operations; risks of changes in laws affecting our operations or their interpretation; and risks associated with tax reassessments and legal proceedings.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest rates;
- changes in commodity prices;
- acts of government and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of commodities and products used in our operations;
- the timing of the receipt of permits and other regulatory and governmental approvals;
- changes in credit market conditions and conditions in financial markets generally;
- the availability of funding on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for our operations;

- our ability to attract and retain skilled staff;
- engineering and construction timetables and capital costs for our projects;
- costs of closure of various operations;
- market competition;
- the accuracy of our mine plan estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- tax benefits and tax rates;
- the resolution of environmental and other proceedings or disputes; and
- our ability to obtain, comply with and renew permits in a timely manner.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. Except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.